



**DEFENSE LOGISTICS AGENCY**  
**DEFENSE CONTRACT MANAGEMENT COMMAND**  
**8725 JOHN J. KINGMAN ROAD, SUITE 2533**  
**FT. BELVOIR, VIRGINIA 22060-6221**



IN REPLY  
REFER TO

**AQO**

**NOV 23 1996**

**MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (ACQUISITION AND TECHNOLOGY)**  
**PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE (ACQUISITION AND TECHNOLOGY)**  
**DEPUTY UNDER SECRETARY OF DEFENSE (ACQUISITION REFORM)**  
**ASSISTANT SECRETARY OF THE ARMY (RESEARCH, DEVELOPMENT AND ACQUISITION)**  
**ASSISTANT SECRETARY OF THE NAVY (RESEARCH, DEVELOPMENT AND ACQUISITION)**  
**ASSISTANT SECRETARY OF THE AIR FORCE (ACQUISITION)**

**SUBJECT: Single Process Initiative (SPI) Weekly Activity Report**

We have received 491 concept papers from 129 contractors proposing to modify 602 processes. Sixty-five contractors have modified 211 processes since the SPI was implemented. Summary information on SPI activity and progress to date is contained in Attachments 1 and 2. In addition, our Administrative Contracting Officers (ACOs) signed 6 block change modifications and received 13 new concept papers during the current reporting period. Details on modifications are provided in Attachment 3.

Lockheed Martin held its fourth quarterly SPI conference in Tyson's Corner, November 19-21. The conference drew approximately 170 attendees, representing the company (95), the Department of Defense (67), and NASA (8). In addition to DCMC, all of the military services and most Lockheed Martin facilities attended. Mr. Norm Augustine, Lockheed Martin, Chief Executive Officer, and I opened the conference with keynote remarks, urging participants to use this event as an opportunity for government and industry to work together to break down barriers and to build on successes already achieved under SPI.

The conference featured various breakout sessions, covering cost benefit analysis, property management, earned value, subcontractor management, advanced quality systems, and more. DCMC staff drew a great deal of praise for their contributions to these workshops and for the spirit of teammanship they displayed throughout the conference.

Several comments were made in open forum about the need for relief from stringent/costly property requirements and for an expedited process for handling regulatory concept papers under SPI in lieu of the existing Federal Acquisition Regulation change process. Lockheed Martin senior management also challenged the government to pursue more extensive statutory changes in areas



such as TINA. Lockheed Martin facilities were challenged to pursue bigger pay-off concepts in areas like configuration and data management. This is a good indication that the company is honing in on issues that will result in greater return on investment. Overall, the conference was a tremendous success.

We are currently bolstering our efforts to more diligently collect and review information on cost benefits associated with proposed SPI concepts. On November 19, 1996, I issued guidance to DCMC ACOs to ensure this information is contained in contractor concept papers and that appropriate analyses be performed by DCMC and DCAA on the financial merits of implementing such concepts. I have instructed my CAO Commanders to report contractor estimates of cost savings/avoidance and the results of DCAA reviews for each concept paper in their SPI activity reports.

The recently chartered prime/subcontractor IPT held meetings on November 7 and 12. They have compiled the results of their deliberations and outlined their recommendations in a draft report which is now being circulated for comment. Once the comments are received and incorporated into the document, we will issue the final report. We anticipate this effort will be completed by November 29.

Pursuant to our discussions this week, we are in the process of reducing the frequency of our weekly SPI report to bi-weekly. While this report will now be forward to USD (A&T) on a bi-weekly basis, field level SPI activity reports will still be submitted weekly to maintain statistical currency and to give my SPI Team an opportunity to evenly allocate resources for database input.

If you have any questions regarding the above, please contact Ms. Marialane Schultz, Block Change Management Team Leader, at (703) 767-2471.



ROBERT W. DREWES  
Major General, USAF  
Commander

#### Attachments

cc:

Dr. Kenneth Oscar  
Mr. Daniel Porter  
Ms. Darleen Druyun  
VADM Lockard  
Lt Gen Babbitt  
RADM McCarthy  
Dr. Daniel R. Mulville

# Summary Report

as of November 18, 1996

Contractors Which Have Submitted Concept Papers:	129
Key Customer Notification Complete:	118
Component Team Leaders Identified:	94
Total Concept Papers Received:	491
Concept Papers Withdrawn:	63

**Concept  
Papers**

**Proposal  
Development -  
Concept Paper -  
(30 Days)**

**Approval  
Cycle -  
Customer  
Notification and  
Agreement-  
Resolution of  
Differences -  
(60 Days)**

**Modification  
Issuance -  
Negotiation of  
Consideration -  
(30 Days)**

*Concept papers may contain multiple processes*

**Total Proposed Process Changes:** 602

Number Initially Accepted : 499

Not Accepted Within 30 Days of initial submission: 63

Found Technically Acceptable: 155

Found Unacceptable: 24

*Components objecting*

AF	Army	Navy	DLA	DCMC
7	5	6	2	16

Disagreements/Problems Escalated: 1

Not approved within 60 days after Mgt Cncl Acceptance: 126

Processes Modified: 211

All Actions Complete: 210

Not Modified within 30 days after Tech Acceptance: 46

Consideration Requested by Government: 61

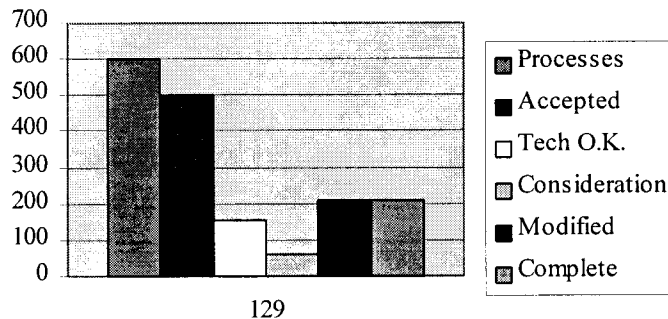
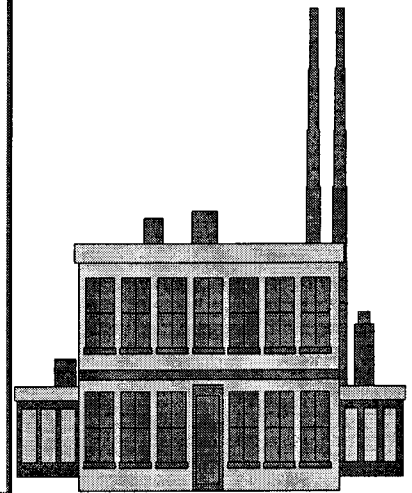
Cost Proposals Received: 39

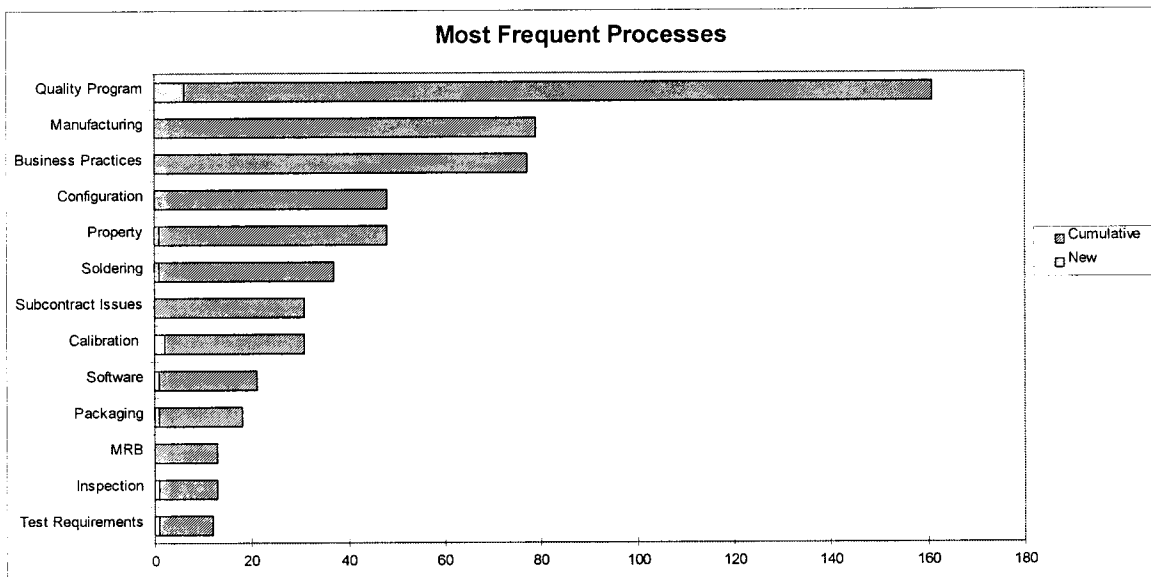
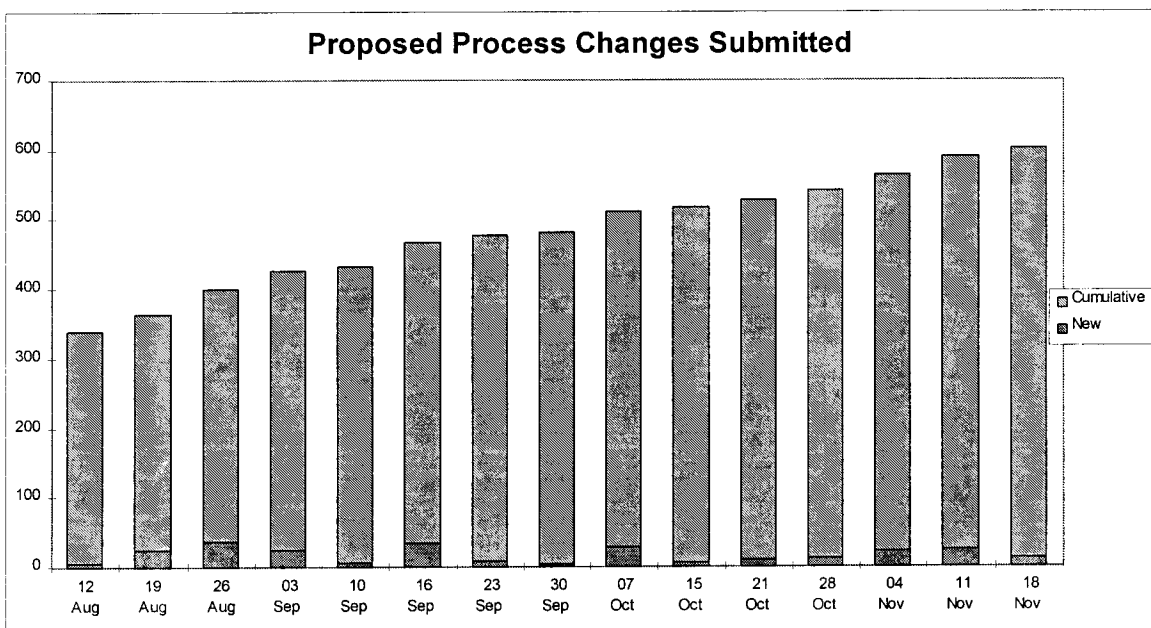
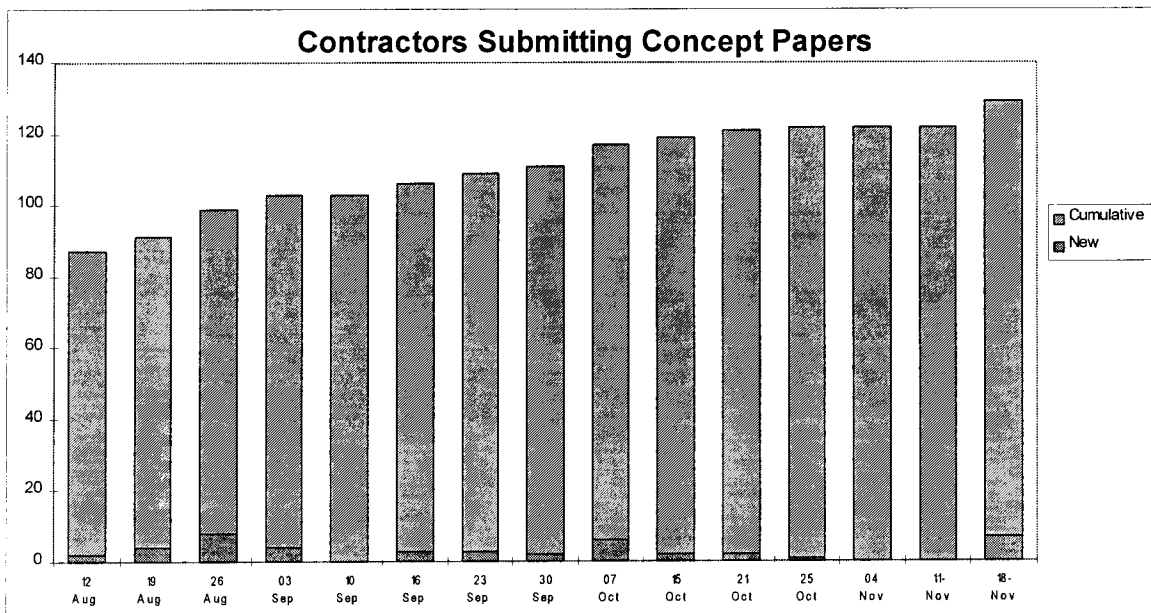
Consideration Finalized: 18

average days from submittal to Mod: 102

Currently Active: 368

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**Details on Block Change Modifications Completed  
During This Reporting Period**

<b>Contractor</b>	<b>Old Process</b>	<b>New Process</b>
<u>Modifications</u>		
Lockheed Martin Vought	MIL-W-6858, CVA 13-3/17-2/3	Spot/Seam Resistance Welding
Westing house Electric	MIL-Q-9858	ANSI/ASQC Q9001-1994
Rockwell Intl. Comm. Sys. Div.	MIL-P-55110	IPC-A-600
	MIL-STD-275	IPC-D-275
	Small Bus. Subcontracting	Comprehensive Small Business Subcontracting
Hughes Aircraft Company, Radar & Communications Systems	MIL-Q-9858A	ISO-9001